

EMERGENCY

STATE OF CALIFORNIA—OFFICE OF ADMINISTRATIVE LAW

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-09)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER	EMERGENCY NUMBER 2009-0421-03E
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For use by Office of Administrative Law (OAL) only

2009 APR 21 21 3:43

OFFICE OF
ADMINISTRATIVE LAW

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
Managed Risk Medical Insurance BoardAGENCY FILE NUMBER (if any)
ER-6-08

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed <input type="checkbox"/> Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Disenrollment AER Implementation	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND 2699.6603
	REPEAL
TITLE(S) 10	

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §11349.3, 11349.4)		<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input checked="" type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective 30th day after filing with Secretary of State	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify) _____		

7. CONTACT PERSON

Dianne Knox	TELEPHONE NUMBER (916) 324-0592	FAX NUMBER (Optional) (916) 445-0898	E-MAIL ADDRESS (Optional) dknox@mrmib.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Randi Turner</i>	DATE 4/21/09
TYPED NAME AND TITLE OF SIGNATORY Randi Turner, Chief, Human Resources and Program Services	

For use by Office of Administrative Law (OAL) only

**TITLE 10: CALIFORNIA CODE OF REGULATIONS
CHAPTER 5.8 MANAGED RISK MEDICAL INSURANCE BOARD
HEALTHY FAMILIES PROGRAM**

ARTICLE 2, ELIGIBILITY, APPLICATION AND ENROLLMENT

Test proposed to be added is displayed in underline type.

Text proposed to be deleted is displayed in ~~strikeout~~ type.

Section 2699.6603 is amended to read:

2699.6603. Board Determinations.

- (a) If the Board makes a finding that sufficient funds are not available to cover the estimated costs of program expenditures and that it is necessary to limit enrollment in the program to ensure that expenditures do not exceed amounts available for the program, the program shall establish a waiting list.
- (b)
 - (1) If the Board makes a finding that sufficient funds are not available to cover the estimated cost of program expenditures and that, in addition to limiting new enrollment in the program, it is necessary to terminate subscribers in the program to ensure that expenditures do not exceed amounts available for the program, subscriber children shall be disenrolled from the program at the end of the month of their anniversary date following their Annual Eligibility Reviews. The program shall not effectuate disenrollments pursuant to this subsection unless it also has established a waiting list pursuant to subsection (a) of this section and is not currently enrolling additional children on the basis of new applications of or Add-A-Person forms.
 - (2) Subscriber children who are determined by the California Children's Services Program (CCS) to be currently enrolled for benefits under CCS pursuant to Article 5 (commencing with Section 123800) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code and financially eligible solely because they are deemed to be income-eligible for CCS pursuant to paragraph 2 of subdivision (a) of Section 123870 of the Health and Safety Code shall not be subjected to disenrollment pursuant to this section.
- (c) If the Executive Director determines that sufficient funds are available to cover the estimated cost of program expenditures for all eligible subscriber children, the program shall cease the disenrollment of eligible subscriber children pursuant to subsection (b) of this section during Annual Eligibility Review.

- (d)
 - (1) If the Executive Director determines that in addition to sufficient funds for all eligible subscriber children, sufficient funds are available to cover the estimated cost of program expenditures for some or all children on the waiting list, the program shall review applications for children on the waiting list in the order of their effective dates on the waiting list.
 - (2) If the Executive Director determines that sufficient funds are available to cover the estimated costs of program expenditures, the program shall cease to operate a waiting list after processing the applications, including Annual Eligibility Review submissions, and Add-A-Person forms of all children on the waiting list.
- (e) The provisions of subsection (f) of this section shall apply only if terms or conditions applicable to the funding provided for program expenditures do not apply uniformly to all applicants and subscriber children and if, as a result, funding for program expenditures is not available to be spent for the benefit of all applicants and subscriber children equally.
- (f) If necessary, and to the extent necessary, to reflect terms or conditions applicable to the funding provided for program expenditures, the Board or the Executive Director, as applicable pursuant to subsections (a) through (d), inclusive, of section 2699.6603, shall apply the provisions of this section and of section 2699.6604 to one or more groups of applicants or subscriber children independent of the provisions' application to other applicants or subscribers children.

NOTE: Authority cited: Section 12693.21, Insurance Code. Reference: Section 12693.21, and 12693.96 Insurance Code.

Adoption of Emergency HFP Regulations (ER-6-08)
that Allow for Enrollment of Children from
the Wait List Based on Targeted Funding

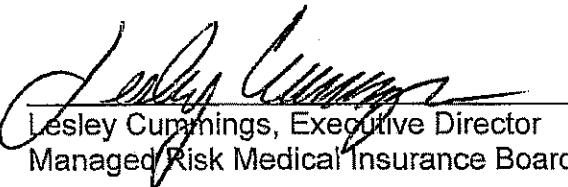
MANAGED RISK MEDICAL INSURANCE BOARD
FINDING OF EMERGENCY

The Board finds that the State's current fiscal crises calls for the immediate action of adopting the proposed Healthy Families Program regulations to allow for the application of a waiting list which reflects the terms and conditions to funding provided for program expenditures; the action is necessary to avoid serious harm to the public, peace, health, safety, or general welfare; and the foregoing constitutes an emergency under Government Code section 11342.545, 11346.1, 11349.5 and 11349.6.

CERTIFICATION

I, Lesley Cummings, Executive Director of the Managed Risk Medical Insurance Board, do hereby certify that the foregoing finding was duly adopted by the Managed Risk Medical Insurance Board at an official meeting thereof on January 29, 2009.

Dated this 29th day of January 2009.


Lesley Cummings, Executive Director
Managed Risk Medical Insurance Board

Emergency Regulations for Healthy Families Program Enrollment of Children from the Wait List Based on Targeted Funding

FINDING OF EMERGENCY

At its January 29, 2009, meeting, the Managed Risk Medical Insurance Board (MRMIB) found that the State's current fiscal crisis calls for the immediate action of adopting the proposed Healthy Families Program (HFP) regulations to allow for the application of a waiting list which reflects the terms and conditions to funding provided for program expenditures; that the action is necessary to avoid serious harm to the public, peace, health, safety, or general welfare; and that the foregoing constitutes an emergency under Government Code section 11342.545, 11346.1, 11349.5 and 11349.6. A copy of the Finding of Emergency adopted by the MRMIB is attached.

SPECIFIC FACTS DEMONSTRATING THE NEED FOR IMMEDIATE ACTION

MRMIB operates HFP. HFP provides health insurance for approximately 900,000 low-income children aged 0 through 18 whose family incomes are at or below 250% of the federal poverty level net of applicable deductions and who are ineligible for Medi-Cal because of their family incomes exceed Medi-Cal income eligibility. (Insurance Code section 12693 et seq.) Approximately two-thirds of the funding for HFP is provided by the federal State Children Health Insurance Programs. (42 U.S.C. 1397aa et seq.) The federal reimbursement for HFP is matched with state funds representing approximately one-third of the program expenditures.

By statute, the Board must maintain enrollment and expenditures to ensure that expenditures do not exceed amounts available. If sufficient funds are not available to cover the estimated cost of program expenditures, the Board must institute appropriate measures to limit enrollment. (Insurance Code section 12693.21(n).) Those measures include the imposition of a waiting list. The current waiting list regulation, section 2699.6603 of Title 10 California Code of Regulations, is not sufficiently specific to allow the Board to take into account any terms or conditions that may be applicable to available funding in connection with operating a waiting-list.

The State of California faces an unprecedented fiscal crisis which directly affects HFP. In November, MRMIB projected a HFP current fiscal year General Fund shortfall of \$17.2 million. At its fall meetings, the Board considered the impact of the projected current year deficiencies on HFP and the need to establish a waiting list in order to keep within its statutory responsibilities under Insurance Code section 12693.21(n).

In December, the First 5 California Commission held an emergency meeting and agreed to provide funding for new enrollment of children aged 1-5 into HFP through June 30, 2009. By statute, the First 5 California Commission, and the local First 5 County Commissions, many of which committed to contribute to the HFP funding through June 30, may only serve children aged 0-5. As noted above, HFP serves children aged 0-18, not just 0-5.

As a result of the First 5's action, the Board determined not to implement a waiting list at that time because it appears that there are sufficient funds for all children through the current fiscal year. However, MRMIB monitors enrollment and expenditures and reports to the Board on a monthly basis to ensure that there are sufficient funds to cover the estimated cost of program expenditures. The 2009-10 fiscal year will commence in approximately three months from now and funding for HFP for that fiscal year is uncertain.

As noted above, the current waiting regulation, section 2699.6603, is not sufficiently specific to allow the Board to take into account terms or conditions that might be placed on program expenditures by funding sources, such as those involving First 5. The proposed regulations are crucial to provide the Board with flexibility to take full advantage of funds which might be available to HFP and use such state funds to draw federal matching funds.

During the discussions about the possible need of establishing a waiting list, it became evident that the impact on children enrolled in HFP but with a medical condition that is eligible for coverage under the California Children's Services Program (CCS) should be considered. These children have a "handicapping condition" but their families do not qualify financially for CCS. They receive services from CCS only because they are enrolled in HFP. (See, Insurance Code Section 12693.69 and Health and Safety Code Section 123870.) If these children were to be disenrolled from HFP, they would also lose their CCS coverage. Given the severity of their medical conditions, the Board has determined that these children should be spared disenrollment from HFP even upon a Board finding that results in some disenrollments from HFP.

The State's current fiscal condition continues to be uncertain and the Board needs the flexibility to administer a waiting list that reflects terms or conditions applicable to the specific funding provided for program expenditures if a waiting list is established. In addition, because of the severity of their medical conditions, if program disenrollments are effectuated, CSS-eligible subscribers need to be spared from disenrollment. The action of adopting the proposed regulations is necessary to avoid serious harm to the public, peace, health, safety, or general welfare so that, if funds are found to be insufficient to enroll all eligible children, fewer children are made to wait for enrollment and, if it is necessary to terminate subscribers following their Annual Eligibility Reviews, CSS-eligible children will not be disenrolled.

AUTHORITY AND REFERENCE CITATIONS

Authority: Insurance Code section 12693.21(o)

Reference: Insurance Code sections 12693.21(n) and 12693.69

INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

Policy Statement: The objectives of the proposed action are to implement, interpret, or make specific the Insurance Code Sections administered by MRMIB so that if and when a waiting list would be necessary, it may reflect the terms and conditions of funding provided for program expenditures, and so that those children with handicapping conditions shall not lose CCS coverage even where the Board has found the some HFP enrollees must be terminated as necessary to keep program expenditures within available funds.

Existing Law: The Insurance Code (commencing section 12693) creates the HFP and sets forth, among other things, that enrollment and expenditures may not exceed amounts available for the program. They also specify that if a child, with a medical condition that is eligible for services under the CCS program (commencing at Health and Safety Code Section 123800), is enrolled in HFP the child will be deemed to meet the financial eligibility requirements of the CCS program. These Insurance Code statutes are implemented, interpreted or made more specific by MRMIB.

A summary of the proposed amendments to the regulations' effect on existing law and regulations are as follows:

2699.6603. Board Determinations.

Existing law: Section 2699.6603 implements Insurance Code Section 12693.21, subdivision (n) by specifying the actions HFP shall take if the Board determines that sufficient funds are not available. It describes the process for creating a waiting list, and if necessary, to also terminate children at their Annual Eligibility Review if the Board deems that limiting new enrollment is not enough to operate the program within financial means.

Current subsection 2699.6603(b) would be changed to subsection (b)(1). The text remains the same except that the word "or" is substituted for the word "of" to correct a clerical error.

Subsection 2699.6603(b)(2) would be added to specify that those children enrolled in HFP and currently enrolled in CCS solely because they have been

deemed to be income-eligible for CCS based on their HFP enrollment, shall not be subject to HFP disenrollment even if the Board has made a finding under (b)(1) that results in some subscriber children being terminated or disenrolled.

Subsection 2699.6603(e) would be added.

Subsection (e) would specify subdivision (f), described below, shall apply only if terms or conditions applicable to funding provided for program expenditures do not apply uniformly to all applicants and subscriber children and if, as a result, funding for program expenditures is not available to be spent for the benefit of all applicants and subscriber children equally.

Subsection 2699.6603(f) would be added.

Subsection 2699.6603(f) would specify that to the extent necessary, to reflect terms or conditions applicable to the funding provided for program expenditures, the Board or the Executive Director, as applicable pursuant to subsections (a) through (d), inclusive, of section 2699.6603, shall apply the provisions of this section and of section 2699.6604 to one or more groups of applicants or subscriber children independent of the provisions' application to other applicants or subscriber children.

POLICY STATEMENT

The objective of the proposed regulations is to provide the Board with regulatory flexibility to administer a waiting list, if one is established, that reflects terms or conditions applicable to the funding provided for program expenditures and, if it is necessary to terminate subscribers following their Annual Eligibility Reviews, because of severity of their medical conditions, CSS-eligible children will not be disenrolled.

TECHNICAL, THEORETICAL, AND EMPIRICAL STUDY or REPORT

Memorandum dated November 7, 2008, from Executive Director Lesley Cummings to MRMIB members.

DETERMINATIONS

The Proposed Substantial differentiation from existing comparable Federal Regulation or Statute: None

Mandates on Local Agencies or School Districts: None

Mandate Requires State Reimbursement Pursuant to Part 7 (commencing with section 17500) of Division 4 of the Government Code: None

Costs to Any Local Agency or School District that Requires Reimbursement Pursuant to Part 7 (commencing with section 17500) of Division 4 of the Government Code: None

Non-discretionary Costs or Savings Imposed on Local Agencies: None

Costs or Savings to Any State Agency: None

Costs or Savings in Federal Funding to the State: None

Costs or Savings to Individuals or Businesses: None

Reasonable Alternatives Considered – Gov. Code 11346.2(b) (3) (A): None

Reasonable Alternatives Considered That Would Lessen The Impact On Small Business – Gov. Code 11346.2(b) (3) (B): None

Evidence Relied Upon to Support the Initial Determination That the Regulation will Not have a Significant Adverse Economic Impact On Business – Gov. Code 11346.2(b)(4). No alternatives were considered. By statute, the Board must maintain enrollment and expenditures within budgeted amounts. If there are insufficient funds, the Board must institute appropriate measures to limit enrollment including imposing a waitlist and/or disenrolling children from the HFP program.

Effect on Housing Costs: None

Arnold Schwarzenegger, Governor

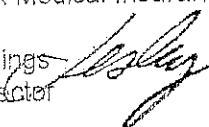


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MEMORANDUM

DATE: November 7, 2008
TO: Managed Risk Medical Insurance Board Members
FROM: Lesley Cummings 
Executive Director
SUBJECT: Healthy Families Program Current Year Deficiency and the Need to
Establish a Waiting List

This last month, the Healthy Families Program (HFP) experienced another notable enrollment milestone. There were 900,000 children enrolled. It is an honor and privilege to provide health, dental, and vision coverage to 900,000 children who otherwise would have no coverage. Research has shown that having coverage is of enormous importance in children's school performance, future success and long term health status. California has the largest SCHIP enrollment of any state in the country, with a greater enrollment level than the second and third largest states combined.

However, the program is, in some ways, a victim of its success. California, like a number of states, is in the midst of a severe economic downturn. Obtaining sufficient state funds to match federal funds has become very challenging. In fact, HFP does not have sufficient state funds in the current year to fund projected enrollment.

Current Year Budget Deficiency

To say this in a more direct way, staff projects a General Fund shortfall of \$17.2 million in the current year. This consists of \$14.1 million GF due to the fact that the enacted budget assumed that departments would implement budget balancing reductions (BBR's) on November 1, 2008. However, MRMIB is implementing the HFP BBR's for HFP on February 1, 2009. This is the first day of the fifth month following signature of the budget, the timeframe specified for HFP BBR implementation in the budget trailer bill. Additionally, the budget assumes \$3.1 million in GF savings due to a project caseload decrease attributable to the HFP premium increases. Given the severe decline in the economy and the need to assure that the program does not overspend GF dollars, we do not feel confident assuming these savings.

The five month timeframe results from the fact that to implement program changes, HFP must modify contracts with plans, negotiate final plan rates, and finalize plan coverage areas. Then MRMIB conducts an open enrollment process in which it notifies 900,000 subscribers of program and coverage area changes (with notices in five languages), offers subscribers the opportunity for an income re-evaluation, and transfers subscribers whose plans have left their coverage area and transfers any other subscribers that want to change plans. See Attachment 1 for more detailed information on caseload.

Legally Required Response

As you know, the HFP statute requires that the Board operate the program within the funding available. Insurance Code Section 12693.21(n) says that the Board is to "maintain enrollment and expenditures to ensure that expenditures do not exceed amounts available in the Health Families Fund and, if sufficient funds are not available to cover the estimated cost of program expenditures, the Board shall institute appropriate measures to limit enrollment."

Limited and Difficult Options

The Board's options for responding to the deficiency are limited. The Legislature can provide additional funding for the program or make changes to HFP benefits or eligibility income criteria. Implementing any program changes, however, would require the implementation time period detailed above. It is impractical to expect any additional savings in the current year.

The only tool in the Board's control to manage costs in the current year is to limit enrollment. If the Board does not cap enrollment, it would have to take other, more catastrophic actions later. As you know, the Board is authorized to disenroll children at Annual Eligibility Review if needed to manage within existing funds. Capping enrollment, rather than eliminating coverage that a child currently has, seems the preferable path. Staff estimate that the waitlist would have to be established on December 18th, the day after the December 17th Board meeting, to live within the General Fund appropriation the Budget Act provided for the current year. The December 18th date takes into consideration a series of complex assumptions, including the fact that there are twenty days that can elapse between receipt of an application and enrollment.

The number of children to be waitlisted is significant. HFP has been experiencing 27,125 new enrollments per month, not including AIM-linked babies who will continue to be enrolled. If that level of new enrollment continues for the six month period, 162,750 would be waitlisted. The BBR that increased premiums for families with incomes above 150 percent of Federal Poverty Level also assumed that fewer families would enroll or remain in coverage. If that occurs, the figure would be 100,000. Of course, if financial circumstances improve and it were financially possible to enroll children from the waitlist, we would do so, consistent with HFP regulations.

Possible Response by the Administration, Legislature, and the Federal Government

The Governor just convened a special session of the legislature to address a deficit of immense proportions. HFP has been blessed through the years to have been a high priority for both the Governor and the Legislature. But, in the context of the state's fiscal emergency, policymakers also have limited choices. Thus, the Board cannot presume that it will receive funding to offset the deficit. What is clear is that the Board is required by law to manage the program within the funds provided.

Federal Funding Issues. Another fiscal pressure on the program is that the amount of federal SCHIP funds available after March 30, 2009 is unknown. Congress and the Bush Administration were at an impasse over the purpose and the funding for SCHIP and the issue was pushed to the next Congress and Administration. The program is dependent on quick action by the federal government.

California is not alone in having a difficult time putting up state matching funds for SCHIP. The federal government is considering steps it could take as an economic stimulus for states hard hit by the national economic downturn. It would be extremely helpful if as part of the economic stimulus package, the federal government would 1) provide funding for the remainder of the federal fiscal year so that state's don't have to guess how much federal funding will be provided past March 09 and 2) increase the federal matching rate for SCHIP, at least for a year or so.

Board Determination. Staff suggests that the Board discuss the HFP deficiency at two Board meetings, November 19th and December 17th, to provide the public with the opportunity to comment. The Board can make its determination about the need for a waiting list at the December meeting. But, as noted above, the waitlist would have to go into effect the next day, December 18th, to achieve adequate savings.

Attachments. There are two attachments to this email. Attachment 1 shows the caseloads and expenditures for the current year under various scenarios. Attachment 2 describes how MRMIB would manage the waitlist, consistent with the regulations adopted a year ago.

The MRMIB staff is deeply sorry to have to bring this issue to the Board. We are well aware that establishing a waiting list is antithetical to the Board's mission and desires. But, it is consistent with the Board's obligation.

Scenario Assumptions

	Scenario 1 Budget Balancing Reductions Implemented November 2008	Scenario 2 Budget Balancing Reductions Implemented February 2009	Scenario 3 Budget Balancing Reductions Implemented February 2009 and Wait List on December 17, 2008
Estimate Version	2008 Budget Act Updated November 2008	November 2008	November 2008
Average Monthly Disenrollments	26,000 until 10/30/2008 30,500 after 11/1/2008	26,000 until 1/31/2009 30,500 after 2/1/2009	26,000 until 12/31/2008 17,443 after 1/1/2009
Average Monthly New Enrollments	28,000 until 10/30/2008 24,300 after 11/1/2008	28,000 until 1/31/2009 24,300 after 2/1/2009	28,000 until 12/31/2008 875 (AIM-linked babies) after 1/1/2009
BBR: Premium Increase:	Assumes premium increase for certain income categories effective 11/1/2008 which would result in increased disenrollments and decreased enrollments reflected above	Assumes premium increase for certain income categories effective 2/1/2009 which would result in increased disenrollments and decreased enrollments reflected above	Assumes premium increase for certain income categories effective 2/1/2009 which would result in increased disenrollments and decreased enrollments reflected above
BBR: Plan Rate Reductions	Assumes 5 percent plan rate reduction to 07/08 rates effective 11/1/2008	Assumes 5 percent plan rate reduction to 07/08 rates effective 2/1/2009	Assumes 5 percent plan rate reduction to 07/08 rates effective 2/1/2009
Changes in Plan Coverage Areas	Assumes plans will change coverage areas resulting in net increased costs of \$0.8 million GF in CY due to subscribers changing plans	Assumes plans will change coverage areas resulting in net increased costs of \$0.5 million GF in CY due to subscribers changing plans	Assumes plans will change coverage areas resulting in net increased costs of \$0.5 million GF in CY due to subscribers changing plans
BBR: Dental Cap	Assumes that dental cap will not be implemented until BY	Assumes that dental cap will not be implemented until BY	Assumes that dental cap will not be implemented until BY
Mandatory Disenrollments at AER	None	None	None
Number of enrollees on June 30, 2009	891,604	905,586	786,719

Healthy Families Program (HFP) Waiting List Process and Administration

As explained in the memo to the Board from the Executive Director, the Board will be deliberating at its November and December meetings on the need to establish a waiting list for enrollment into HFP. The Board must curtail enrollment if "sufficient funds are not available to cover the estimated costs of program expenditures and that it is necessary to limit enrollment in the program to ensure that expenditures do not exceed amounts available for the program, the program shall establish a waiting list." (Title 10, California Code of Regulations, Section 2699.6603 (a)) While the Board has the authority to also require disenrollments of children at Annual Eligibility Review (AER), staff do not think such action is necessary at this time.

This document sets forth how MRMIB would administer the waitlist.

Wait List Administration

The Single Point of Entry (SPE) will continue to income screen children whose applications are submitted on the joint applications for potential Medi-Cal or HFP eligibility.

Medi-Cal. If an income screening indicates that a child would be eligible for Medi-Cal, the child will be temporarily enrolled in Medi-Cal (accelerated enrollment, if eligible) and the application will be forwarded to the county welfare department in the child's county of residence for a final eligibility determination. This is the same process that occurs today.

HFP. If an income screening indicates that a child would be eligible for HFP:

Applications (and add-a-person forms) received at the HFP prior to the Board's finding, will be processed until an eligibility determination has been made. A child will be enrolled if determined eligible.

Applications (and add-a-person forms) received after the Board has made its finding (12/17/08), will be placed on a waiting list in the order in which the application is received. List order will be based on the date the application was received. HFP will not make an eligibility determination prior to a child being placed on the wait list.

The HFP will provide a written notification to the applicant advising them of the child's placement on the waiting list and indicating that the applicant will be notified when sufficient funds are available. This notice will be provided in 5 languages (English, Spanish, Chinese, Korean and Vietnamese).

Exceptions to the waiting list: AIM linked infants; current HFP subscribers who successfully requalify during their AER period; and HFP subscribers that successfully appeal an incorrect decision will be enrolled in the program and are not subject to the wait list.

Admissions from the Wait List

When MRMIB's Executive Director determines that sufficient funds are available to enroll some or all of the wait listed children, the program will enroll the number of eligible wait listed children for whom sufficient funds are available, based on the order of the wait list.

HFP will notify applicants of wait listed children in writing that their children may be able to be enrolled. The notice will request any necessary information to complete the initial application, including updated income documentation, so that a final eligibility determination can be made. A child will be enrolled if HFP makes a final determination of eligibility.

Applicants of wait listed children will have twenty (20) calendar days (the established regulatory time frame) to provide information needed to complete the application.

Questions or Inquiries

Any questions regarding the HFP wait list process can be sent to www.hfpwaitlist@MRMIB.ca.gov